

108TH CONGRESS
1ST SESSION

H. R. 120

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for contributions for scholarships to attend elementary and secondary schools, for upgrading elementary and secondary school facilities, and for expenses related to technology for elementary and secondary schools.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2003

Mr. HOEKSTRA introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for contributions for scholarships to attend elementary and secondary schools, for upgrading elementary and secondary school facilities, and for expenses related to technology for elementary and secondary schools.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Voluntary Opportuni-
5 ties for Increasing Contributions to Education Act”.

1 **SEC. 2. CREDIT FOR CONTRIBUTIONS FOR THE BENEFIT OF**
 2 **ELEMENTARY AND SECONDARY SCHOOLS.**

3 (a) IN GENERAL.—Subpart B of part IV of sub-
 4 chapter A of chapter 1 of the Internal Revenue Code of
 5 1986 is amended by adding at the end the following new
 6 section:

7 **“SEC. 30B. CREDIT FOR CONTRIBUTIONS FOR THE BENEFIT**
 8 **OF ELEMENTARY AND SECONDARY SCHOOLS.**

9 “(a) ALLOWANCE OF CREDIT.—There shall be al-
 10 lowed as a credit against the tax imposed by this chapter
 11 for the taxable year an amount equal to 75 percent of the
 12 qualified charitable contributions of the taxpayer for the
 13 taxable year.

14 “(b) MAXIMUM CREDIT.—

15 “(1) INDIVIDUALS.—In the case of a taxpayer
 16 other than a corporation, the credit allowed by sub-
 17 section (a) for any taxable year shall not exceed
 18 \$500 (\$1,000 in the case of a joint return).

19 “(2) CORPORATIONS.—In the case of a corpora-
 20 tion, the credit allowed by subsection (a) shall not
 21 exceed \$100,000.

22 “(c) QUALIFIED CHARITABLE CONTRIBUTION.—For
 23 purposes of this section—

24 “(1) IN GENERAL.—The term ‘qualified chari-
 25 table contribution’ means, with respect to any tax-
 26 able year, the aggregate amount allowable as a de-

duction under section 170 (determined without regard to subsection (d)(1)) for cash contributions—

“(A) to a school tuition organization,

“(B) for the improvement, renovation, or construction of a school facility that is used primarily to provide education at the elementary or secondary level, and

“(C) for the acquisition of computer technology or equipment (as defined in subparagraph (E)(i) of section 170(e)(6)), or for training related to the use of such technology or equipment, for use in a school facility described in subparagraph (B).

“(2) SCHOOL TUITION ORGANIZATION.—

“(A) IN GENERAL.—The term ‘school tuition organization’ means any organization which—

“(i) is described in section 170(c)(2),

“(ii) allocates at least 90 percent of its gross income and contributions and gifts to elementary and secondary school scholarships, and

“(iii) awards scholarships to any student who is eligible for free or reduced cost lunch under the school program established

1 under the Richard B. Russell National
2 School Lunch Act.

3 “(B) ELEMENTARY AND SECONDARY
4 SCHOOL SCHOLARSHIP.—The term ‘elementary
5 and secondary school scholarship’ means any
6 scholarship excludable from gross income under
7 section 117 for expenses related to education at
8 or below the 12th grade.

9 “(3) SCHOOL FACILITY.—The term ‘school fa-
10 cility’ shall not include any stadium or other facility
11 primarily used for athletic contests or exhibitions or
12 other events for which admission is charged to the
13 general public.

14 “(d) SPECIAL RULES.—

15 “(1) DENIAL OF DOUBLE BENEFIT.—No deduc-
16 tion shall be allowed under this chapter for any con-
17 tribution for which credit is allowed under this sec-
18 tion.

19 “(2) APPLICATION WITH OTHER CREDITS.—
20 The credit allowable under subsection (a) for any
21 taxable year shall not exceed the excess (if any) of—

22 “(A) the regular tax for the taxable year,
23 reduced by the sum of the credits allowable
24 under subpart A and the preceding sections of
25 this subpart, over

1 “(B) the tentative minimum tax for the
2 taxable year.

3 “(3) CONTROLLED GROUPS.—All persons who
4 are treated as one employer under subsection (a) or
5 (b) of section 52 shall be treated as 1 taxpayer for
6 purposes of this section.

7 “(e) ELECTION TO HAVE CREDIT NOT APPLY.—A
8 taxpayer may elect to have this section not apply for any
9 taxable year.”.

10 (b) CLERICAL AMENDMENT.—The table of sections
11 for subpart B of part IV of subchapter A of chapter 1
12 of such Code is amended by adding at the end the fol-
13 lowing new item:

“Sec. 30B. Credit for contributions for the benefit of elementary
and secondary schools.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2003.

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